



LITTLE HOOVER COMMISSION

April 18, 2003

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Executive Director

The Honorable Joseph Dunn
Member, California State Senate
State Capitol, Room 2080
Sacramento, CA 95814

RE: SUPPORT FOR SENATE BILL 744

Dear Senator Dunn:

The Little Hoover Commission supports SB 744, the measure you have authored that would provide an incentive to local communities to meet affordable housing needs in their area. The Commission supports this measure based on findings and recommendations in its May 2002 report, *Rebuilding the Dream: Solving California's Affordable Housing Crisis*.

In its study, the Commission explored how public policies could be reformed to fortify the State's ability to provide an adequate supply of affordable housing for the growing number of young families, newcomers, seniors and other Californians with low incomes. By law, every local jurisdiction is required to update the housing element component of its general plan every five years and submit it for approval to the Department of Housing & Community Development. But the Commission found that two fundamental problems hinder the effectiveness of the housing element law. First, although the law requires local governments to plan for housing, it contains no enforcement mechanism. Secondly, there are few incentives to encourage communities to adequately plan for their housing needs and no meaningful consequences when they fail to do so.

The Commission concluded that the State needs to seize every existing opportunity to encourage and help local governments develop affordable housing. The Commission recommended that the State implement a comprehensive set of planning policies and fiscal incentives to ensure that local jurisdictions effectively plan for and actually produce affordable housing. SB 744 addresses the Commission's recommendation by providing an incentive, which gives priority in awarding grants and loans, to local jurisdictions who meet specific criteria in providing affordable housing in their community.

The Commission is taking an active support position on this measure. As the bill moves through the committee process, I will be writing letters on behalf of the Commission to legislators urging aye votes. If you feel my presence and testimony at a hearing would be helpful, please let me know, and I will make every attempt to be available.

If you have any questions or if I can be of any further assistance, please do not hesitate to contact me.

Sincerely,

James P. Mayer
Executive Director

c: All Commissioners